

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Imaging Business Machines, LLC

Alabama Technology Network

#### ATN Helps Imaging Business Machines, LLC Significantly Reduce Inventory and Reduce Costs

##### Client Profile:

Imaging Business Machines, LLC (IBML), established in 1993, produces image-based document sorters for such industries as the U.S. Postal Service, banking and financial services, healthcare, airlines, government agencies and others. IBML employs 202 people at its facility in Irondale, Alabama.

##### Situation:

IBML recently underwent a change of ownership. The new private equity ownership recommended that the company begin exploring Lean continuous improvement as a way to improve operational efficiency and processes. IBML management began seeking external assistance and engaged in discussions with the Alabama Technology Network (ATN), a NIST MEP network affiliate. IBML began initially working with ATN Lean Specialists from the Birmingham Center on the creation of product Value Stream Maps, facilitation of Lean 101 training and the implementation of Rapid Improvement Events (Kaizen). ATN's center at Auburn University -- the Auburn Technical Assistance Center -- was later engaged to provide leadership and sustainment training in Lean accounting and other areas.

##### Solution:

Early in the project, IBML discovered that it suffered from excessive inventory, which resulted in high costs to the company. ATN began analyzing the situation through examination and mapping the product value streams, and by providing a broad training base to all levels of IBML employees. Employees are trained in the basics of Lean continuous improvement, leadership and sustainment processes, Lean accounting, Kaizen (rapid improvement), and various other areas. Additionally, ATN assisted IBML in the implementation of such CI (Continuous Integration) management processes as visual management control boards, implementation of the super market system to control inventory on the production lines, and in the development of pull systems.

As a result of ATN's assistance, IBML has successfully reduced its production from multiple product lines to two primary products. Implementation of a pull system has enabled the company to manufacture to meet customer demand in a timely manner, and according to IBML management, not remain in a continuous 'fire-fighting' mode. "We now are able to manufacture 'Just in Time' and not build too much of everything. We also have the time now that we need to do our manufacturing," said IBML Vice President for Manufacturing Duane Smith. Inventory has been reduced and the use of kaizen has enabled the company to save money by improving the manufacturing process so that it is more efficient. By not having to replace employees who leave through attrition, the company has been able to channel those savings into an incentive program for its employees.

##### Results:

[www.mep.nist.gov](http://www.mep.nist.gov)



NIST is an agency of the U.S. Department of Commerce

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- \* Reduced inventory by \$1.5 million.
- \* Reduced lead time from 90 days to 30 days.
- \* Increased output from 6-11 machines per month to 16 machines per month.

#### **Testimonial:**

"I would highly recommend ATN if you want to implement a continuous improvement program. The staff is very knowledgeable and cross trained, so I know that anyone I work with is going to provide quality expertise and assistance."

Duane Smith, Vice President for Manufacturing